

Telkwa timeline

In November 1996, Manalta Coal of Calgary initiated the process to obtain approval for the Telkwa project — a new coal mine near Smithers, B.C. About 250 copies of a document which outlines the project were distributed to interested parties. Then, in February 1997, an application was made to the provincial government for project approval. Following this, an 11-person project review committee was established to pose questions to the company. This process, still under way at press time, could lead to a public hearing. Once the project is approved, however, the permitting stage, during which there will be significant potential for public input, will commence.

"We're positive the public does not understand the [permitting] process," Project Manager Allan Flemming told delegates of the Annual General Meeting of the Canadian Institute of Mining, Metallurgy & Petroleum, held in Vancouver in May.

Nonetheless Manalta is confident the project will receive the go-ahead by July or August 1998 and that construction can begin in early 1999. The first trainload of coal could leave the site in the year 2000.

The company envisions an operation consisting of three open pits, about 6 km from the town of Telkwa. Annual production is expected to range between 1 and 1.5 million tonnes of coal over a 25-year period; the material would be moved by rail, 400 km to Prince Rupert.

The coal occurs in five seams (ranging from 1.5 to 6 metres thick) within a simple synclinal structure (which dips at between 15° and 45°) and is suitable for the thermal export market; it has a high calorific value and a low sulphur content of just over 1%.

At a daily production capacity of 55,000 tonnes, the Telkwa operation would not be a big player in the global coal markets but would nonetheless provide an important boost to the local economy. Between 170 and 200 people would

be employed during construction, and 120 permanent, well-paying jobs would be created over the 25-year life of the project.

Issues likely to create controversy during the approvals process include: acid rock drainage; tailings pond location; air quality; and noise levels.

The company's main focus will be on managing and controlling acid rock drainage. Some 1,150 samples have been chemically analyzed; test cells have been established at British Columbia Research to recreate environmental conditions in the lab; and six field tests have been conducted to help determine how much acid rock drainage will be produced.

The preferred option is to flood the tailings to prevent oxidation of the sulphides; another option is to mix the tailings with carbonate material, thereby neutralizing any acid; yet a third is to engineer a cap for the tailings.

Waste dumps will be reclaimed as either agricultural or forestry land.

AQUARIUS UPDATE

Financially troubled Echo Bay Mines of Englewood, Colo., has increased its land position around the Aquarius gold project, near Timmins, Ont. The company is diamond drilling in hopes of finding the continuation of the gold-bearing structure to the east of the existing deposit, which could be developed into an open-pit operation at an estimated cost of \$100 million.

Timber from the site has been harvested and construction of a road to service holes for an underground freeze wall (see *CMJ* February 1997) has begun.

Final environmental studies have been completed, the company says, and mining permits are expected by the end of 1997.

Echo Bay, which operates the Lupin gold mine in the Northwest Territories, reported a net loss of US\$16.8 million on revenue of US\$73.8 million for the first quarter, compared with a loss of US\$16.2 million on US\$67.7 million in the same period in 1996.

CLAUDE EXPANDS SEABEE

An updated reserve calculation has extended, by five years, the life of the Seabee gold mine, 120 km northeast of La Ronge, Sask.

Owner Claude Resources reports that the proven and probable figure now stands at 962,675 tonnes grading 9.9 grams gold per tonne. An additional 95,300 tonnes of lower-grade material has been stockpiled for blending at the mill.

The company is developing an ore-shoot on its No. 2 zone, on the western edge of the property. Exploration continues on the adjacent property, held by Currie Rose Resources, where several mineralized structures have already been drilled.

LAC DE GRAS MINE TAKING SHAPE

Construction work and pre-stripping of the Panda pit are under way at the NWT Diamonds project near Lac de Gras.

The project is being developed by a unit of BHP Minerals, which holds a 51% interest in the project. Kelowna, B.C.-based Dia Met Minerals holds 29%, with the remainder held by private individuals.

Pre-stripping of the Panda pit has begun, foundation work has been completed on the processing plant, and construction is well under way on the power plant and truck shop. Startup is scheduled for the second half of 1998.

Plans call for the mining of five kimberlite pipes — Panda, Misery, Koala, Sable and Fox — over a span of 17 years. However, owing to the discovery of additional pipes, the owners are confident the project will have a mine life of 25 years or more.

The five pipes will be individually mined by open-pit methods, followed by underground mining at Panda and Koala. All of the pipes are covered by shallow lakes, which will require draining before mining can begin. A total of about 78 million tonnes of ore (85% of which is defined as proven and probable) and 508 million tonnes of waste rock